

Ability to Pay Parameters

When government funds were first directed to the staffing and operations of community alcohol, drug addiction, and mental health services, the purpose was two-fold. The first was to promote the variety and availability of community-based care. The second was to reduce the economic barriers to the service. Government financial support, however, was never intended to duplicate private payment for services. Rather service providers are expected to exercise, according to approved guidelines, all appropriate and reasonable means of seeking direct payment from clients not covered, fully or partially, by third-party payment programs.

Ensuring that potential recipients would not be financially barred from receipt of mental health and substance use disorder care is one of the responsibilities tied to each provider's acceptance of government funding or subsidy. Specifically, payment expectations are not to be a service barrier for the client. Persons are to be charged according to their ability to pay.

The attached ability to pay scale is a tool to help define the covered lives for the County of Lake ADAMHS System. The scale also indicates the belief that all people receiving services should be participants in all aspects of treatment, including covering the costs.

The services covered by these parameters include: assessment, community services, psychotherapy, and psychiatry.

The following are some of the guiding parameters for its implementation:

- ◇ The ability to pay scale is based on the combined gross monthly income of an individual or family, which includes gross salary/wages, Social Security benefits, dividends, interest, pension, annuities, unemployment compensation, workers' compensation, alimony or child support, strike benefits, trusts, inheritance, SSI or ADC.
- ◇ If the individual is an unmarried minor, insurance coverage and ability to pay shall be determined for the parent(s).
- ◇ If the individual is married, insurance coverage and ability to pay shall be determined jointly for the individual and the spouse.
- ◇ If an adult lives with his/her parents but is not claimed as a dependent, the ability to pay shall be determined based on the adult's income. Do not include the parent's income.
- ◇ If an adult lives with his/her parents and is claimed as a dependent, the ability to pay shall be determined based on the adult and parent's income.
- ◇ If an individual is not married and lives with another person(s), documentation regarding who is providing the financial support to the household should be requested and a determination made based on the information provided.
- ◇ The total combined financial liability of the responsible parties shall not exceed the cost of services.

- ◇ An individual shall not be denied services because of the inability of responsible parties to pay for the services.
- ◇ Medicaid eligible individuals cannot be charged for the cost of services.
- ◇ A client of more than one of the ADAMHS Board's contract providers will be responsible to pay each provider the full amount assessed from the ability to pay scale.
- ◇ Where indemnity insurance coverage is available, the full cost of services will be billed.
- ◇ If a responsible party fails to provide insurance and proof of income information, the responsible party's ability to pay shall be determined to be the full cost of services.
- ◇ Provider agencies will establish an exception protocol and form. Exceptions to the ability to pay scale must be approved by the provider agency. Exceptions fall in the following categories:
 - Extraordinary medical expenses,
 - Extraordinary education expense,
 - Extraordinary life situations, and
 - Bankruptcy/Chapter(s) 7 or 13

The provider agency will make the exception approval process as flexible as possible.

- ◇ Individuals or families whose income exceeds the ability to pay scale shall not pay more than 10.5% of their annual income for ADAMHS contracted MH/SUD services per 365 days.
- ◇ MH/SUD programs will develop and implement a fee collection policy that includes at a minimum:
 - Inform client of system-wide ability to pay scale with documentation in chart.
 - Implementation and maintenance of a regular billing procedure.
 - For accounts less than \$100 and 90 days past due, claims may be billed to the ADAMHS Board through the non-Medicaid billing system.
 - Use of a collection agency for any uncollectible accounts over \$100 and 90 days past due.
 - Two (2) collection agency letter attempts for any balance over \$100 and more than 90 days past due.
 - Once the claim is determined uncollectible, it may be billed to the ADAMHS Board through the non-Medicaid billing system.
 - Providers may include a "no show" policy at the discretion of the agency.

Ability to Pay Scale Based on Gross Annual Family Income (effective 7/01/2025)

Family Size	Federal Poverty Guideline Percent									
	138%		175%		200%		225%		250%	
	No Client Payment		10%		25%		50%		75%	
	From	Thru	From	Thru	From	Thru	From	Thru	From	Thru
1	\$0	\$21,597	\$21,598	\$27,388	\$27,389	\$31,300	\$31,301	\$35,213	\$35,214	\$39,125
2	\$0	\$29,399	\$29,400	\$37,013	\$37,014	\$42,300	\$42,301	\$47,588	\$47,589	\$52,875
3	\$0	\$37,044	\$37,045	\$46,638	\$46,639	\$53,300	\$53,301	\$59,963	\$59,964	\$66,625
4	\$0	\$44,689	\$44,690	\$56,263	\$56,264	\$64,300	\$64,301	\$72,338	\$72,339	\$80,375
5	\$0	\$52,334	\$52,335	\$65,888	\$65,889	\$75,300	\$75,301	\$84,713	\$84,714	\$94,125
6	\$0	\$59,979	\$59,980	\$75,513	\$75,514	\$86,300	\$86,301	\$97,088	\$97,089	\$107,875
7	\$0	\$67,624	\$67,625	\$85,138	\$85,139	\$97,300	\$97,301	\$109,463	\$109,464	\$121,625
8	\$0	\$75,269	\$75,270	\$94,763	\$94,764	\$108,300	\$108,301	\$121,838	\$121,839	\$135,375
9	\$0	\$82,741	\$82,742	\$104,171	\$104,172	\$119,052	\$119,053	\$133,934	\$133,935	\$148,815
10	\$0	\$90,214	\$90,215	\$113,579	\$113,580	\$129,804	\$129,805	\$146,030	\$146,031	\$162,255
11	\$0	\$97,686	\$97,687	\$122,987	\$122,988	\$140,556	\$140,557	\$158,126	\$158,127	\$175,695
12	\$0	\$105,159	\$105,160	\$132,395	\$132,396	\$151,308	\$151,309	\$170,222	\$170,223	\$189,135